

Gary Underwood Scharff, OSB No. 883031

Direct Dial: (503) 493-4353

Facsimile: (503) 273-9135

E-mail: gs@scharfflaw.com

Law Office of Gary Underwood Scharff

1300 American Bank Building

621 SW Morrison Street

Portland, Oregon 97205

Attorney for the Debtors

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:

Thornburgh Resort Company, LLC,

Debtor.

Bankruptcy Case No. 11-31897-tmb11

**DEBTOR'S CASE MANAGEMENT
CONFERENCE MATERIALS**

Conference to be held:

April 19, 2011, 1:30 pm

Courtroom #4

United States Bankruptcy Court

1001 SW Fifth Ave #700

Portland, OR 97204

Pursuant to the Court's Order Setting Scheduling and Case Management Conference and Notice of Possible Dismissal (Dkt #15), debtor Thornburgh Resort Company, LLC hereby respectfully submits the following memorandum and exhibit materials required for their Case Management Conference.

Page 1 of 4 – **DEBTOR'S CASE MANAGEMENT CONFERENCE MATERIALS**

LAW OFFICE OF GARY UNDERWOOD SCHARFF

1300 American Bank Building

621 SW Morrison Street

Portland, Oregon 97205

Telephone (503) 493-4353

Facsimile (503) 517-8143

Preliminary Statement

1. Debtor's business is the development and operation of a destination resort on a parcel of land (the "Property") of approximately 1860 acres in Redmond, Oregon (the "resort"). Debtor holds an option for another 160 acres. The resort began in 2005 as a proposal of Kameron DeLashmutt and his entities, Genesis Development Group, LLC ("GDG") and Central Resort Company, LLC ("CRC").¹ The resort includes three golf courses, lots for 1150 homes and overnight units, a hotel, water and utility companies, a real estate sales and marketing company, and substantial other resort improvements.

2. Debtor has retained several financing experts to develop funding for the resort, with mixed results. Of the funds raised for development, debtor has spent heavily on obtaining land use permits, and responding to challenges to those permits, related to the development. A "final master plan" has been completed, and challenged. As a result of difficulties in finance and permitting debtor is behind on his development schedule. Prior to the petition date debtor was confronted with an effort to foreclose against the Property. Debtor has new money sources that he expects to fund over the coming weeks, allowing completion of the permitting process and acquisition of water rights. Those items are expected to substantially increase the value of the Property.

¹ GDG is wholly owned by Kameron DeLashmutt and owns 90% of CRC, which is the sole owner and member of debtor. Kameron DeLashmutt's wife, Lisa DeLashmutt, owns the remaining 10% of CRC.

Debtors' Case Management Materials

3. Attached hereto as **Exhibit A** is a 120-day weekly cash flow analysis of the debtor's business.
4. Attached hereto as **Exhibit B** is a summary of historical financial information for 2008 and 2009.²
5. Attached hereto as **Exhibit C** is a statement of income and expenses since the date of filing of the petition, indicating amounts of paid and unpaid expenses.
6. Attached hereto as **Exhibit D** is a budget with amounts the debtors expect to incur for professional services during the next 120 days of the Chapter 11 case, on a monthly basis.

DATED this 12th day of April, 2011.

By: /s/ Gary Underwood Scharff
Gary Underwood Scharff
Attorney for Debtors

² Summary financial information for 2010 to follow shortly by supplemental submission.

Item	12-Apr	18-Apr	25-Apr	2-May	9-May	16-May	23-May	30-May
Sources								
Collections	\$ 3,111							
Retainers/Deposits	\$ 34,500							
Credit Facilities		\$ 2,500	\$ -	\$ 42,500		\$ 32,500		\$ 42,500
Total Sources	\$ 37,611	\$ 2,500	\$ -	\$ 42,500	\$ -	\$ 32,500	\$ -	\$ 42,500
Uses								
Salaries & Management	\$ 1,500	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Travel	\$ 207	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Utilities	\$ 642	\$ -				\$ 750		
Property Insurance	\$ 608	\$ 2,000				\$ 190		
General and Admin				\$ 250		\$ -		
Accounting						\$ 1,000		
Legal	\$ 34,323			\$ 30,000		\$ 25,000		\$ 30,000
Consulting				\$ 5,000		\$ 5,000		
Legal & Consult (Land Use)								
Finance Related								
Total Uses	\$ 37,280	\$ 2,200	\$ 200	\$ 41,450	\$ 200	\$ 32,140	\$ 200	\$ 36,200
Net Cash flow	\$ 331	\$ 300	\$ (200)	\$ 1,050	\$ (200)	\$ 360	\$ (200)	\$ 6,300
Cummulative	\$ 331	\$ 631	\$ 431	\$ 1,481	\$ 1,281	\$ 1,641	\$ 1,441	\$ 7,741

EXHIBIT A

6-Jun	13-Jun	20-Jun	27-Jun	4-Jul	11-Jul	18-Jul	25-Jul	1-Aug	8-Aug	Total
										\$ 3,111.14
										\$ 34,500.00
	\$ 30,000		\$ 30,000		\$ 15,000	\$ -	\$ 27,500		\$ 30,000	\$ 252,500.00
\$ -	\$ 32,500	\$ -	\$ 30,000	\$ -	\$ 15,000	\$ -	\$ 27,500	\$ -	\$ 30,000	\$ 292,611.14
\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ 25,500.00
\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 3,606.75
	\$ 750				\$ -	\$ 750				\$ 2,892.00
	\$ 190				\$ 190				\$ 190	\$ 3,368.00
\$ 250				\$ 250				\$ 250		\$ 1,000.00
	\$ 2,500				\$ 2,500					\$ 6,000.00
	\$ 25,000		\$ 20,000		\$ 10,000		\$ 20,000		\$ 30,000	\$ 224,323.00
\$ 5,000			\$ 5,000		\$ 5,000					\$ 25,000.00
									\$ 500	\$ 500.00
										\$ -
\$ 5,450	\$ 28,640	\$ 200	\$ 31,200	\$ 450	\$ 17,890	\$ 950	\$ 20,200	\$ 6,450	\$ 30,890	\$ 292,189.75
\$ (5,450)	\$ 3,860	\$ (200)	\$ (1,200)	\$ (450)	\$ (2,890)	\$ (950)	\$ 7,300	\$ (6,450)	\$ (890)	\$ 421.39
\$ 2,291	\$ 6,151	\$ 5,951	\$ 4,751	\$ 4,301	\$ 1,411	\$ 461	\$ 7,761	\$ 1,311	\$ 421	

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Consolidated Balance Sheet

December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Petty Cash	\$ 100.00			100.00
Checking Accounts	346.00			346.00
Cash - Trustee Account	852,000.00			852,000.00
Accounts Receivable, Other	5,100.00	50.00		5,150.00
Employee Advances	-			0.00
Commissions Paid in Advance	-	0.00		0.00
Due From Thornburgh Prop. LLC	281,698.30			281,698.30
Sec 754 Redemption Step Up	8,016,474.00			8,016,474.00
Land Held for Development	600,000.00			600,000.00
SDC - Project Wide	8,906,192.19			8,906,192.19
SDC - Tribute Lots	364,998.83			364,998.83
Indirect Capitalized Costs	-			0.00
SDC - Pinnacle Lots	15,619.38			15,619.38
HDC - Project Wide	12,924,586.99			12,924,586.99
HDC - Tribute Lots	570,885.10			570,885.10
HDC - Tribute Subdivision Spec	2,875.00			2,875.00
HDC - Tribute Amenities	755,162.03			755,162.03
Options - Land	-			0.00
Prepaid Expenses	-			0.00
Total Current Assets	33,296,037.82	50.00	0.00	33,296,087.82
Property and Equipment				
Retained Assets/Amenities	557,068.15			557,068.15
Vehicles	38,058.00			38,058.00
Accum. Dep.-Buildings	(26,528.00)			(26,528.00)
Accum. Dep.-Office Furn&Equip	(14,845.00)			(14,845.00)
Accum. Dep.-Vehicles	(27,557.00)			(27,557.00)
Accum. Dep.-Computer Equip&Sof	(11,123.00)			(11,123.00)
Total Property and Equipment	515,073.15	0.00	0.00	515,073.15
Other Assets				
Pre-Acquisition Costs (ss 195)	16,812.37			16,812.37
Organization Costs (ss 709)	28,547.69			28,547.69
Accumulated Amortization	(41,020.00)			(41,020.00)
Total Other Assets	4,340.06	0.00	0.00	4,340.06
Total Assets	33,815,451.03	50.00	0.00	33,815,501.03

EXHIBIT B

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Consolidated Balance Sheet

December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
LIABILITIES AND CAPITAL				
Current Liabilities				
Visa - US Bank 0101	5,245.00			5,245.00
Visa - US Bank 0119	5,377.00			5,377.00
Accounts Payable, Other	2,242,646.13	0.00		2,242,646.13
Payroll & P/R Taxes Payable	13,682.89			13,682.89
Notes Payable - Other Current	99,016.00			99,016.00
Notes Payable-Genesis Group	719,090.76			719,090.76
Note Payable-Big Falls Ranch	0.00			0.00
Note Payable-Agnes DeLashmutt	875,000.00			875,000.00
Notes Payable - Parker Group	1,188,729.62			1,188,729.62
Notes Payable - Chap/Matt Curr	5,000,000.00			5,000,000.00
Note Payable - Trail Crossing	122,000.00			122,000.00
Customer Deposits	852,000.00			852,000.00
Interest Payable	2,124,902.16			2,124,902.16
Total Current Liabilities	13,247,689.56	0.00	0.00	13,247,689.56
Long-Term Liabilities				
Option - Land Agnes	0.00			0.00
Note Payable-Price	150,000.00			150,000.00
Parker-Sterling Loan	10,955,999.50			10,955,999.50
Notes Payable - Parker Group	10,000,000.00			10,000,000.00
Notes Payable - Chapman/Mattox	0.00			0.00
Founder's Monies	12,500,000.00			12,500,000.00
Total Long-Term Liabilities	33,605,999.50	0.00	0.00	33,605,999.50
Total Liabilities	46,853,689.06	0.00	0.00	46,853,689.06
Capital				
Capital-Central Resort LLC	20,000.00			(1,400.68)
Retained Earnings	(9,028,690.28)			(9,028,690.28)
Capital-Chapman/Mattox	0.00			0.00
Redeemed Int. - Chapman/Mattox	(10,000,000.00)			(10,000,000.00)
Extraordinary Gain	6,543,471.93			
Net Income	(573,019.68)	0.00		(573,019.68)
Total Capital	(13,038,238.03)	0.00	0.00	(19,603,110.64)
Total Liabilities & Capital	33,815,451.03	0.00	0.00	27,250,578.42



THORNBURGH
RESORT COMPANY

Consolidated Income Statement
For the Calendar Year to Date
December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
Revenues				
Sales, land held for develop	-	-	-	-
Sales, developed lots	-	-	-	-
Sales, remodel	-	-	-	-
Sales, Other	-	-	-	-
Income on Installment Sales	-	-	-	-
Commission Income	-	-	-	-
Construction Management Fee In	-	-	-	-
Miscellaneous Income	-	-	-	-
Misc. Income - Sub. Allocation	-	-	-	-
Interest Income	-	-	-	-
Earned Discounts	-	-	-	-
Sales Concessions & Discounts	-	-	-	-
Total Revenues	-	-	-	-
Cost of Sales				
Cost of Sales, land held devel	-	-	-	-
Cost of Sales, developed Lots	-	-	-	-
Cost of Sales, Remodel	-	-	-	-
Cost of Sales, Other	-	-	-	-
Total Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Expenses				
Production Wages & Salaries	-	-	-	-
Prod. SST - ER	-	-	-	-
Prod. Medicare Tax - ER	-	-	-	-
Prod. FUTA	-	-	-	-
Prod. SUTA	-	-	-	-
Prod. WC	(2,630.95)	-	-	(2,630.95)
Prod. WC Day Tax	-	-	-	-
Employee Benefits	-	-	-	-
Prod. - Misc. Supplies & Other	492.88	-	-	492.88
Transferred to Job Cost	-	-	-	-
Worker's Comp Insurance	-	-	-	-
S&M, WC - ER Day Tax	-	-	-	-
Payroll related benefits	-	-	-	-
Sales Office expense	-	-	-	-
Land Lease Expense	-	-	-	-
Advertising	-	-	-	-
Promotion	-	-	-	-
Internet, Web page related	-	-	-	-
Marketing Communications	-	-	-	-
Marketing Studies & Reports	-	-	-	-
Agency Commissions	-	-	-	-
Multiple Listing fees	-	-	-	-
Public Relations	-	-	-	-
Referral Fees	-	-	-	-
Travel & Auto	10,317.23	-	-	10,317.23
Meals & Entertainment	-	-	-	-
Customer Business Entertainmen	-	-	-	-
Other Sales & Marketing Expens	-	-	-	-

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THORNBURGH
RESORT COMPANY

Consolidated Income Statement
For the Calendar Year to Date
December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
Guaranteed Pmts to Members		-	-	-
Directors' Fees	-	-	-	-
Salaries, Officers	-	-	-	-
Salaries, Management	-	-	-	-
Wages, Office & Clerical	6,399.00	-	-	6,399.00
SST - ER	275.00	-	-	275.00
Medicare Tax - ER	65.00	-	-	65.00
FUTA	43.00	-	-	43.00
SUTA	112.00	-	-	112.00
Workers' Compensation Ins.	-	-	-	-
WC - ER Day Tax	6.00	-	-	6.00
Health & Accident Insurance	-	-	-	-
Other Employee benefits	-	-	-	-
Equipment rental	3,032.50	-	-	3,032.50
Repairs & Maintenance Office	1,564.78	-	-	1,564.78
Utilities, admin. office	2,031.70	-	-	2,031.70
Telephone, admin. office	7,626.34	-	-	7,626.34
Travel & Entertainment	-	-	-	-
Office Supplies, admin. office	2,690.35	-	-	2,690.35
Postage & deliveries	350.95	-	-	350.95
Computer & supplies	-	-	-	-
Accounting services	50,341.00	-	-	50,341.00
Legal services	71,916.30	-	-	71,916.30
Consulting services	75,000.00	-	-	75,000.00
Recruiting & hiring	-	-	-	-
Rent Expense	285,192.00	-	-	285,192.00
Other professional expenses	-	-	-	-
Hazard/Property Insurance	2,985.25	-	-	2,985.25
General Liability Insurance	2,268.40	-	-	2,268.40
Key Man Insurance	18,153.25	-	-	18,153.25
Taxes & Licenses	(1,124.32)	-	-	(1,124.32)
Contributions	200.00	-	-	200.00
Dues & Subscriptions	500.00	-	-	500.00
Bank Charges	4,498.27	-	-	4,498.27
Non-deductible	-	-	-	-
Misc. expenses, admin. office	-	-	-	-
Suspense	-	-	-	-
Loss on Property Abandonment	-	-	-	-
Extraordinary Loss - Warner	-	-	-	-
Extraordinary Loss- Redemption	-	-	-	-
Total Expenses	573,019.68	-	-	573,019.68
Net Income	(573,019.68)	-	-	(573,019.68)



Consolidated Balance Sheet

December 31, 2008

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Petty Cash	\$ 100.00			100.00
US Bank #6918	-	1.00		1.00
Umpqua Checking - Bend - 7411	100.17			100.17
Umpqua Chkg - Lake Osw - 9960	62.58			62.58
USNB #1 536 5660 7147	3,989.10			3,989.10
Cash - Trustee Account	1,360,000.00			1,360,000.00
Accounts Receivable, Other	7,600.10	50.00		7,650.10
Employee Advances	-			0.00
Commissions Paid in Advance	-	714,675.00		714,675.00
Due From Thornburgh Prop. LLC	995,490.59		(995,490.59)	0.00
SDC - Project Wide	7,751,736.78			7,751,736.78
SDC - Tribute Lots	364,998.83			364,998.83
SDC - Pinnacle Lots	15,619.38			15,619.38
HDC - Project Wide	12,994,873.99			12,994,873.99
HDC - Tribute Lots	570,885.10			570,885.10
HDC - Tribute Subdivision Spec	2,875.00			2,875.00
HDC - Tribute Amenities	755,162.03			755,162.03
Prepaid Expenses	24,000.00			24,000.00
Total Current Assets	24,847,493.65	714,726.00	(995,490.59)	24,566,729.06
Property and Equipment				
Retained Assets/Amenities	2,008,306.26			2,008,306.26
Vehicles	38,058.00			38,058.00
Accum. Dep.-Buildings	(5,794.22)			(5,794.22)
Accum. Dep.-Office Furn&Equip	(11,702.15)			(11,702.15)
Accum. Dep.-Vehicles	(20,931.90)			(20,931.90)
Accum. Dep.-Computer Equip&Sof	(7,652.30)			(7,652.30)
Total Property and Equipment	2,000,283.69	0.00	0.00	2,000,283.69
Other Assets				
Options	28,720.00			28,720.00
Pre-Acquisition Costs (ss 195)	16,812.37			16,812.37
Organization Costs (ss 709)	28,547.69			28,547.69
Accumulated Amortization	(18,872.83)			(18,872.83)
Total Other Assets	55,207.23	0.00	0.00	55,207.23
Total Assets	26,902,984.57	714,726.00	(995,490.59)	26,622,219.98



Consolidated Balance Sheet

December 31, 2008

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
LIABILITIES AND CAPITAL				
Current Liabilities				
Visa - US Bank 0101	4,051.68			4,051.68
Visa - US Bank 0119	4,801.96			4,801.96
Accounts Payable, Other	2,242,323.86	180.38		2,242,504.24
Due to TRC	0.00	995,490.59	(995,490.59)	0.00
Payroll & P/R Taxes Payable	14,083.39			14,083.39
Notes Payable - Other Current	99,016.00			99,016.00
Notes Payable-Genesis	300,000.00			300,000.00
Note Payable-Big Falls Ranch	16,875.00			16,875.00
Note Payable-Agnes DeLashmatt	615,000.00			615,000.00
Notes Payable - Parker Group	1,188,729.62			1,188,729.62
Notes Payable - Chap/Matt Curr	2,500,000.00			2,500,000.00
Note Payable - Trail Crossing	122,000.00			122,000.00
Customer Deposits	1,360,000.00			1,360,000.00
Interest Payable	1,322,793.80			1,322,793.80
Total Current Liabilities	9,789,675.31	995,670.97	(995,490.59)	9,789,855.69
Long-Term Liabilities				
Note Payable-Price	150,000.00			150,000.00
Parker-Sterling Loan	10,955,999.50			10,955,999.50
Notes Payable - Parker Group	10,000,000.00			10,000,000.00
Notes Payable - Chapman/Mattox	2,500,000.00			2,500,000.00
Founder's Monies	12,500,000.00			12,500,000.00
Total Long-Term Liabilities	36,105,999.50	0.00	0.00	36,105,999.50
Total Liabilities	45,895,674.81	995,670.97	(995,490.59)	45,895,855.19
Capital				
Capital-Central Resort LLC	10,000.00			10,000.00
Retained Earnings	(7,875,798.47)	(247,081.08)		(8,122,879.55)
Capital-Chapman/Mattox	26,000.00			26,000.00
Redeemed Int. - Chapman/Mattox	(10,000,000.00)			(10,000,000.00)
Net Income	(1,152,891.77)	(33,863.89)		(1,186,755.66)
Total Capital	(18,992,690.24)	(280,944.97)	0.00	(19,273,635.21)
Total Liabilities & Capital	26,902,984.57	714,726.00	(995,490.59)	26,622,219.98



THORNBURGH
RESORT COMPANY

Consolidated Income Statement
For the Calendar Year to Date
December 31, 2008

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
<u>Revenues</u>				
Sales, land held for develop	-	-	-	-
Sales, developed lots	-	-	-	-
Sales, remodel	-	-	-	-
Sales, Other	-	-	-	-
Income on Installment Sales	-	-	-	-
Commission Income	-	-	-	-
Construction Management Fee In	-	-	-	-
Miscellaneous Income	500.00	-	-	500.00
Misc. Income - Sub. Allocation	6,973.63	-	(6,973.63)	-
Interest Income	-	-	-	-
Earned Discounts	-	-	-	-
Sales Concessions & Discounts	-	-	-	-
Total Revenues	7,473.63	-	(6,973.63)	500.00
<u>Cost of Sales</u>				
Cost of Sales, land held devel	-	-	-	-
Cost of Sales, developed Lots	-	-	-	-
Cost of Sales, Remodel	-	-	-	-
Cost of Sales, Other	-	-	-	-
Total Cost of Sales	-	-	-	-
Gross Profit	7,473.63	-	(6,973.63)	500.00
<u>Expenses</u>				
Production Wages & Salaries	72,880.88	-	-	72,880.88
Prod. SST - ER	5,366.49	-	-	5,366.49
Prod. Medicare Tax - ER	1,056.74	-	-	1,056.74
Prod. FUTA	56.00	-	-	56.00
Prod. SUTA	5,337.40	-	-	5,337.40
Prod. WC	-	-	-	-
Prod. WC Day Tax	49.94	-	-	49.94
Employee Benefits	185.58	-	-	185.58
Prod. - Misc. Supplies & Other	-	-	-	-
Transferred to Job Cost	-	-	-	-
S&M Manager, Salaries	(25,000.00)	-	-	(25,000.00)
Salaries, sales personnel	-	-	-	-
Sales commissions, in-house	-	-	-	-
Sales commissions, outside	-	-	-	-
Other sales office wages	-	-	-	-
S&M - SST - ER	-	-	-	-
S&M, Medicare Tax - ER	-	-	-	-
S&M, FUTA	-	-	-	-
S&M, SUTA	-	-	-	-
Worker's Comp Insurance	-	-	-	-
S&M, WC - ER Day Tax	-	-	-	-
Payroll related benefits	1,051.35	-	-	1,051.35
Sales Office expense	-	-	-	-
Land Lease Expense	-	-	-	-
Advertising	-	-	-	-
Promotion	109.45	-	-	109.45
Internet, Web page related	-	-	-	-
Marketing Communications	-	-	-	-



Consolidated Income Statement
For the Calendar Year to Date
December 31, 2008

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
Marketing Studies & Reports	-	-	-	-
Agency Commissions	-	-	-	-
Multiple Listing fees	-	-	-	-
Public Relations	510.54	-	-	510.54
Referral Fees	-	-	-	-
Travel & Auto	32,083.86	16,192.27	-	48,276.13
Meals & Entertainment	3,892.44	980.91	-	4,873.35
Customer Business Entertainmen	-	-	-	-
Other Sales & Marketing Expens	-	287.08	-	287.08
Guaranteed Pmts to Members	242,625.00	-	-	242,625.00
Directors' Fees	-	-	-	-
Salaries, Officers	-	-	-	-
Salaries, Management	-	-	-	-
Wages, Office & Clerical	18,956.40	-	-	18,956.40
SST - ER	1,175.30	-	-	1,175.30
Medicare Tax - ER	274.89	-	-	274.89
FUTA	55.99	-	-	55.99
SUTA	509.64	-	-	509.64
Workers' Compensation Ins.	2,806.40	-	-	2,806.40
WC - ER Day Tax	20.98	-	-	20.98
Health & Accident Insurance	4,364.07	7,800.00	-	12,164.07
Other Employee benefits	-	-	-	-
Equipment rental	5,149.13	1,150.23	(1,150.23)	5,149.13
Repairs & Maintenance Office	9,644.25	1,505.66	(1,505.66)	9,644.25
Utilities, admin. office	5,497.22	956.49	(956.49)	5,497.22
Telephone, admin. office	7,709.10	1,324.12	(1,324.12)	7,709.10
Travel & Entertainment	702.19	-	-	702.19
Office Supplies, admin. office	3,002.35	382.80	(382.80)	3,002.35
Postage & deliveries	1,134.20	121.26	(121.26)	1,134.20
Computer & supplies	9,394.26	1,533.07	(1,533.07)	9,394.26
Accounting services	34,270.70	-	-	34,270.70
Legal services	102,862.53	-	-	102,862.53
Consulting services	150,533.72	-	-	150,533.72
Recruiting & hiring	-	-	-	-
Rent Expense	285,192.00	-	-	285,192.00
Other professional expenses	-	-	-	-
Hazard/Property Insurance	10,393.10	-	-	10,393.10
General Liability Insurance	(991.75)	-	-	(991.75)
Other Insurance	43,567.80	-	-	43,567.80
Taxes & Licenses	9,413.87	-	-	9,413.87
Contributions	2,500.00	-	-	2,500.00
Dues & Subscriptions	3,586.00	1,630.00	-	5,216.00
Bank Charges	4,566.15	-	-	4,566.15
Non-deductible	954.62	-	-	954.62
Misc. expenses, admin. office	1,499.07	-	-	1,499.07
Suspense	-	-	-	-
Loss on Property Abandonment	-	-	-	-
Extraordinary Loss - Warner	-	-	-	-
Extraordinary Loss- Redemption	-	-	-	-
Total Expenses	1,160,365.40	33,863.89	(6,973.63)	1,187,255.66
Net Income	(1,152,891.77)	(33,863.89)	-	(1,186,755.66)

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Consolidated Balance Sheet

December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Petty Cash	\$ 100.00			100.00
Checking Accounts	346.00			346.00
Cash - Trustee Account	852,000.00			852,000.00
Accounts Receivable, Other	5,100.00	50.00		5,150.00
Employee Advances	-			0.00
Commissions Paid in Advance	-	0.00		0.00
Due From Thornburgh Prop. LLC	281,698.30			281,698.30
Sec 754 Redemption Step Up	8,016,474.00			8,016,474.00
Land Held for Development	600,000.00			600,000.00
SDC - Project Wide	8,906,192.19			8,906,192.19
SDC - Tribute Lots	364,998.83			364,998.83
Indirect Capitalized Costs	-			0.00
SDC - Pinnacle Lots	15,619.38			15,619.38
HDC - Project Wide	12,924,586.99			12,924,586.99
HDC - Tribute Lots	570,885.10			570,885.10
HDC - Tribute Sudivision Spec	2,875.00			2,875.00
HDC - Tribute Amenities	755,162.03			755,162.03
Options - Land	-			0.00
Prepaid Expenses	-			0.00
Total Current Assets	<u>33,296,037.82</u>	<u>50.00</u>	<u>0.00</u>	<u>33,296,087.82</u>
Property and Equipment				
Retained Assets/Amenities	557,068.15			557,068.15
Vehicles	38,058.00			38,058.00
Accum. Dep.-Buildings	(26,528.00)			(26,528.00)
Accum. Dep.-Office Furn&Equip	(14,845.00)			(14,845.00)
Accum. Dep.-Vehicles	(27,557.00)			(27,557.00)
Accum. Dep.-Computer Equip&Sof	(11,123.00)			(11,123.00)
Total Property and Equipment	<u>515,073.15</u>	<u>0.00</u>	<u>0.00</u>	<u>515,073.15</u>
Other Assets				
Pre-Acquisition Costs (ss 195)	16,812.37			16,812.37
Organization Costs (ss 709)	28,547.69			28,547.69
Accumulated Amortization	(41,020.00)			(41,020.00)
Total Other Assets	<u>4,340.06</u>	<u>0.00</u>	<u>0.00</u>	<u>4,340.06</u>
Total Assets	<u><u>33,815,451.03</u></u>	<u><u>50.00</u></u>	<u><u>0.00</u></u>	<u><u>33,815,501.03</u></u>

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Consolidated Balance Sheet

December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Consolidated Total
LIABILITIES AND CAPITAL				
Current Liabilities				
Visa - US Bank 0101	5,245.00			5,245.00
Visa - US Bank 0119	5,377.00			5,377.00
Accounts Payable, Other	2,242,646.13	0.00		2,242,646.13
Payroll & P/R Taxes Payable	13,682.89			13,682.89
Notes Payable - Other Current	99,016.00			99,016.00
Notes Payable-Genesis Group	719,090.76			719,090.76
Note Payable-Big Falls Ranch	0.00			0.00
Note Payable-Agnes DeLashmutt	875,000.00			875,000.00
Notes Payable - Parker Group	1,188,729.62			1,188,729.62
Notes Payable - Chap/Matt Curr	5,000,000.00			5,000,000.00
Note Payable - Trail Crossing	122,000.00			122,000.00
Customer Deposits	852,000.00			852,000.00
Interest Payable	2,124,902.16			2,124,902.16
Total Current Liabilities	13,247,689.56	0.00	0.00	13,247,689.56
Long-Term Liabilities				
Option - Land Agnes	0.00			0.00
Note Payable-Price	150,000.00			150,000.00
Parker-Sterling Loan	10,955,999.50			10,955,999.50
Notes Payable - Parker Group	10,000,000.00			10,000,000.00
Notes Payable - Chapman/Mattox	0.00			0.00
Founder's Monies	12,500,000.00			12,500,000.00
Total Long-Term Liabilities	33,605,999.50	0.00	0.00	33,605,999.50
Total Liabilities	46,853,689.06	0.00	0.00	46,853,689.06
Capital				
Capital-Central Resort LLC	20,000.00			(1,400.68)
Retained Earnings	(9,028,690.28)			(9,028,690.28)
Capital-Chapman/Mattox	0.00			0.00
Redeemed Int. - Chapman/Mattox	(10,000,000.00)			(10,000,000.00)
Extraordinary Gain	6,543,471.93			
Net Income	(573,019.68)	0.00		(573,019.68)
Total Capital	(13,038,238.03)	0.00	0.00	(19,603,110.64)
Total Liabilities & Capital	33,815,451.03	0.00	0.00	27,250,578.42



THORNBURGH
REALTY COMPANY

Consolidated Income Statement
For the Calendar Year to Date
December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
Revenues				
Sales, land held for develop	-	-	-	-
Sales, developed lots	-	-	-	-
Sales, remodel	-	-	-	-
Sales, Other	-	-	-	-
Income on Installment Sales	-	-	-	-
Commission Income	-	-	-	-
Construction Management Fee In	-	-	-	-
Miscellaneous Income	-	-	-	-
Misc. Income - Sub. Allocation	-	-	-	-
Interest Income	-	-	-	-
Earned Discounts	-	-	-	-
Sales Concessions & Discounts	-	-	-	-
Total Revenues	-	-	-	-
Cost of Sales				
Cost of Sales, land held devel	-	-	-	-
Cost of Sales, developed Lots	-	-	-	-
Cost of Sales, Remodel	-	-	-	-
Cost of Sales, Other	-	-	-	-
Total Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Expenses				
Production Wages & Salaries	-	-	-	-
Prod. SST - ER	-	-	-	-
Prod. Medicare Tax - ER	-	-	-	-
Prod. FUTA	-	-	-	-
Prod. SUTA	-	-	-	-
Prod. WC	(2,630.95)	-	-	(2,630.95)
Prod. WC Day Tax	-	-	-	-
Employee Benefits	-	-	-	-
Prod. - Misc. Supplies & Other	492.88	-	-	492.88
Transferred to Job Cost	-	-	-	-
Worker's Comp Insurance	-	-	-	-
S&M, WC - ER Day Tax	-	-	-	-
Payroll related benefits	-	-	-	-
Sales Office expense	-	-	-	-
Land Lease Expense	-	-	-	-
Advertising	-	-	-	-
Promotion	-	-	-	-
Internet, Web page related	-	-	-	-
Marketing Communications	-	-	-	-
Marketing Studies & Reports	-	-	-	-
Agency Commissions	-	-	-	-
Multiple Listing fees	-	-	-	-
Public Relations	-	-	-	-
Referral Fees	-	-	-	-
Travel & Auto	10,317.23	-	-	10,317.23
Meals & Entertainment	-	-	-	-
Customer Business Entertainmen	-	-	-	-
Other Sales & Marketing Expens	-	-	-	-

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THORNBURGH
RESORT COMPANY

Consolidated Income Statement
For the Calendar Year to Date
December 31, 2009

	Thornburgh Resort	Thornburgh Properties	Eliminations	Thornburgh Resort - Consolidated
Guaranteed Pmts to Members		-	-	-
Directors' Fees	-	-	-	-
Salaries, Officers	-	-	-	-
Salaries, Management	-	-	-	-
Wages, Office & Clerical	6,399.00	-	-	6,399.00
SST - ER	275.00	-	-	275.00
Medicare Tax - ER	65.00	-	-	65.00
FUTA	43.00	-	-	43.00
SUTA	112.00	-	-	112.00
Workers' Compensation Ins.	-	-	-	-
WC - ER Day Tax	6.00	-	-	6.00
Health & Accident Insurance	-	-	-	-
Other Employee benefits	-	-	-	-
Equipment rental	3,032.50	-	-	3,032.50
Repairs & Maintenance Office	1,564.78	-	-	1,564.78
Utilities, admin. office	2,031.70	-	-	2,031.70
Telephone, admin. office	7,626.34	-	-	7,626.34
Travel & Entertainment	-	-	-	-
Office Supplies, admin. office	2,690.35	-	-	2,690.35
Postage & deliveries	350.95	-	-	350.95
Computer & supplies	-	-	-	-
Accounting services	50,341.00	-	-	50,341.00
Legal services	71,916.30	-	-	71,916.30
Consulting services	75,000.00	-	-	75,000.00
Recruiting & hiring	-	-	-	-
Rent Expense	285,192.00	-	-	285,192.00
Other professional expenses	-	-	-	-
Hazard/Property Insurance	2,985.25	-	-	2,985.25
General Liability Insurance	2,268.40	-	-	2,268.40
Key Man Insurance	18,153.25	-	-	18,153.25
Taxes & Licenses	(1,124.32)	-	-	(1,124.32)
Contributions	200.00	-	-	200.00
Dues & Subscriptions	500.00	-	-	500.00
Bank Charges	4,498.27	-	-	4,498.27
Non-deductible	-	-	-	-
Misc. expenses, admin. office	-	-	-	-
Suspense	-	-	-	-
Loss on Property Abandonment	-	-	-	-
Extraordinary Loss - Warner	-	-	-	-
Extraordinary Loss- Redemption	-	-	-	-
Total Expenses	<u>573,019.68</u>	<u>-</u>	<u>-</u>	<u>573,019.68</u>
Net Income	<u>(573,019.68)</u>	<u>-</u>	<u>-</u>	<u>(573,019.68)</u>

PROFIT/LOSS since 3/11/11

Revenue		
Collections	\$	3,111
Total Revenue	\$	3,111

Expenses		
Salaries & Management	\$	1,500
Travel	\$	207
Utilities	\$	642
Insurance	\$	608
General and Admin	\$	-
Accounting	\$	-
Legal	\$	34,323
Consulting	\$	-
Legal & Consult (Land Use)	\$	-
Finance Related	\$	-
Total Expenses	\$	37,280
Income	\$	(34,169)

EXHIBIT C

Item	April	May	June	July	August	September	October
Gary Scharff Law (BK)	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 30,000	\$ 20,000	
Mountain Group (BK)	\$ -	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000		
Attorney: Litigation Issues (BK)		\$ 15,000	\$ 15,000				
Attorney: Collection/Chapman		\$ 10,000	\$ 10,000	\$ 10,000	\$ -		
Schwabe (Remand)					\$ 500	\$ 30,000	\$ 30,000
Total	\$ 30,000	\$ 65,000	\$ 50,000	\$ 35,000	\$ 35,500	\$ 50,000	\$ 30,000

EXHIBIT D

November	December
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\$ 10,000	\$ 10,000
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\$ 10,000	\$ 10,000
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CERTIFICATE OF SERVICE

I hereby certify that on April 12, 2011, I caused copies of the foregoing **DEBTOR'S CASE MANAGEMENT MATERIALS** to be served via EFC on the following interested parties:

US Trustee, Portland

USTPRegion18.PL.ECF@usdoj.gov

Justin D. Leonard

jleonard@bjllp.com, jweisenbach@balljanik.com

Steven M. Hedberg

shedberg@perkinscoie.com,
ltwombly@perkinscoie.com

Jeanette L. Thomas

JThomas@perkinscoie.com,

and by first class mail, postage prepaid, to:

Donald Kurtz
c/o Sandra L Knapp
Gawthrop Greenwood PC
P.O. Box 264
West Chester, PA 19381-0562

DATED this 12th day of April, 2011.

By /s/ Gary Underwood Scharff
Gary Underwood Scharff, OSB #883031
Attorney for Thornburgh Resort Company, LLC